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Redefining the Meaning of Internal Control Structure

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Abstract: This is an accounting study to apply qualitative method. By referring to the historical perspective, this study was engaged with the character construction of Sultan Syarif Kasim who had been a role model of people during Siak Sri Indrapura Sultanate. The research paradigm applied the interpretative technique with the 2nd generation of ethnography approach of the field data collection. The applied analysis tool was the Foucault's epistemology thinking analysis who argued that in every period, a new knowledge had always emerged used by certain community to cope with any problems arise at that time. The findings conclude that the personality traits of Sultan Syarif Kasim who had been a role model before his people had strengthened the internal controlling structure in the system he had already practiced. A simple system does not automatically indicate a weak internal controlling structure when accompanied by a very strong character of a leader. Such conclusion have been applied to redefine the meaning of the existing internal controlling structure.

Keywords: Redefining, Internal control structure, Sultan Syarif Kasim

1. INTRODUCTION

The thought scheme is inseparable from history of the humankind. The life scheme of human history always put the emphasis on the 3 central focuses: who is the real creator of human being (The creator Himself), where He lives in the earth (the nature of creator) and the human nature itself (Ansari, 1997, Maksum, 2011). Such life scheme exist as a form of gift from the God almighty bestowed and owned by human being, i.e, mind and thoughts. This is the scheme system which produces religion, natural science and social science. The social science accounts for the interaction analysis among humans, so that it allows to create various social knowledge as written by Appelrouth and Adles (2007), Deegan (2004), Alasutari (2004) and other writers. The development of social science increase widely and persistently occurs from time to time. One of the social discipline which undergoes significant development is accounting.

The advancement of social science is not only sourced from the undergoing empirical facts, but also from the social historical analysis itself (Baker, 2004; Gaffikin, 2005; Funnel, 2005; Irvine, 2005; Moore

and Gaffikin, 2005; Richardson, 2008). The social historical analysis for the development of the current social science had been conducted as there is still a great deal of knowledge in the ancient time which is not explored to be a social concept. Conversely, various social sciences are attached to the human's culture, so that the existence of social science is the same age as the human's presence (Chua, 1986), Grojer and Stark (1977), Suojanen (1954). Recently, there are many social science development which have been explored from history. One of the parts of social sciences which had been explored from history is accounting.

In its development, accounting has experienced a lot of changes of definitions which is in accordance with the society need at that time. Some institutions and personals who have contributed in the repertoire of accounting definitions among others are AICPA (1953), Grady (1965), Accounting Principles Board (1970), American Accounting Association (1977), Bierman (1987) and the others. The changes of accounting definitions are caused by the need factor or the other determinants. The development of changes of accounting definitions is a falsification process of accounting knowledge which keeps existing and are adjusted with the need of time in the future. One of the concepts in accounting field which has been subject to the potential of changes of definitions is the internal control structure system. The academics reasoning that because changes is not only influenced by the present realities, but also based on the realities occurred in the past.

The study on the management control system, particularly, the internal control structures, in general are analyzed comprehensively in the scope of commercial organization. A large number of literatures on the internal controlling structure focus its application in the business organization. Nevertheless, the analysis and application of internal controlling structure is not only on the business organization but also on the social organization such as in a government administration or in a monarchy system. The application of the system of an internal control structure does not separate the typical of an organization: social or commercial oriented organization. The basic concept is that these both organizations have the same mission, organization structure, documentary and procedures that have been agreed upon to implement (Duncan and stocks, 1998).

2. METHOD

2.1. Research Method

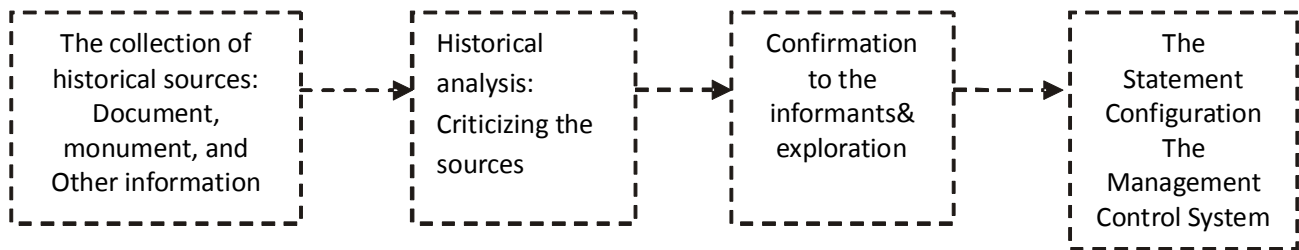
Understanding the social creation in the past has recently always been the key motivation beyond the accounting research which applies the historical perspective. Historical studies need the data from the past time that should be learnt by this current generation. The comprehensive perspective about the past time should color the question of research formulation, the appropriate research method and the interpretation of findings (Walker, 2004). There are many historical research methods which is commonly applied, such as the literature analysis (Mills, 1989), comparing the historical thinking (Tinker and M. Neilmark, 1988), and oral history (Collins and Bloom, 1991).

The research method used in this study is qualitative method with the interpretive paradigm introduced by Burrell and Morgan (1979), Ardalan (2000). Interpretive paradigm, referring to the origin, has existed from long time ago and was related to hermeneutic which was first introduced by JC Danhauer in the middle of 17th century (Mautner, 1997). The qualitative-interpretive applied in this study is aimed at constructing internal control system in the property management of Siak Sri Indrapura Sultanate, Riau.

The employed qualitative method which is relevant to the field characteristic of this study is the 2nd generation ethnography (Spradley, 1997). Such method in this respect, enable to explore a great deal of relevant literatures and confront them to the reliable informants whose detailed knowledge on the past history. The purpose of this research program is to explore the construction of controlling structure system of internal property of the Siak Sri Indrapura Sultanate that cover activities: data collection, description, confirmation, and data interpretation in the form of manuscripts, files or documents and artifacts in a monarchy system in the ancient time.

This study site is located at the Siak Sri Indrapura Sultanate, in Riau province. It is a sultanate which reached triumph in the past: 1908-1946. Given a part of historical re-search, it was therefore conducted by collecting and describing all of the relevant information. The description is reconfirmed to the live informant and directly involved, and the informant has enough legacy information about Siak Kingdom in the past. The findings and description was then to confirm to the life informant and was directly involved as well as the informants whose broad knowledge about the Siak Sri Indrapura Sultanate in the past. The internal control structure system procedures were managed as shown in this following picture:

Picture 1.1: The Construction Process of The Internal Control Structure System Using Historical Perspective



Sources: Quoted from some sources

2.2. The Data Collection Process and Analysis Method

The process of research data collection was administered using Creswell (2007). Creswell suggests, before collecting data, there are a number of stages that should follow: learning the research site condition, preparing the data collection steps, recording the information and inventorying the data. These complete and well organized steps of data collection processes was the reason why Creswell model had been employed in this study. Merriam (2002) proposes three primary sources in qualitative research: interview, observation and documentation. Interview is the highest structure of the other sources as it serves as the first primary resource and as a confirmation on the data as well.

The employed analysis to construct the internal control structure system in this study is based on the historical method which referred to the Foucault' concept (1926-1984). Foucault's historical analysis method is broadly characterized in two main points, e.g., archeology and genealogy.

Archeology is defined as a testing effort or achieves analysis of statement collection called discourse (Stewart, 1992). The former is interpreted as an attempt of testing or file analyzing and function as the collection of statements called discourse (Stewart, 1992). These a set of statement called discourse which is usually termed episteme. It is a product of Foucault's archeology historical analysis. The episteme in this

study is a knowledge which has been the main target to find in order to create a concept which has existed since a long time ago in a certain period.

Foucault's genealogy was established in the historical analysis perspective suggested by Nietzsche which was intended to identify the spread substantial of knowledge (ruptures). This study position, even though it focuses on the study in the past, it is not intended to connect it with the present. In other word, this current time is determined by what had occurred in the past. This study only serves to reflect the definitions of the internal control structure system to be redefined. The analysis stages were conducted with Foucault's archeology method in form of "Archive" examination (file). The activities of archeology in examining the files embody: First, Establishing and defining the discourse it-self, in this respect, the internal control structure system of property management. Second is how to establish and define the discourse with all of the specifications. Third, Establishing the rules for the discursive practices which are only associated with the internal control structure system. Fourth, the rewriting the exteriority in such a way to keep its preservation: the part of the researcher's interpretive (Foucault, 2012).

2.3. The Research Sites and Informants

As afore mentioned, the sites of this study is located in Siak Sri Indrapura Sultanate, Siak Regency, Riau Province. The existence of this sultanate is marked by the establishment of Asseraiyah Hasmiah Palace which is the remain of the Siak Sri Indrapura Sultanate which gained triumph in the past years of the sultanate between 1908 – 1946). The history of Riau has played the key role both in the past and in the future. Riau is a region where the language of the so called Malay Riau Language comes from. This language has been widely used both for correspondence and science (Hamka, 1994). The Indonesian language used at present is a part of Malay language which has developed and enriched by the other regional languages.

Learning the history of Riau from the accounting perspective is expected to broaden the knowledge particularly to improve the existing accounting knowledge repertoire. Riau region has a large number of historical remains that need to discover from accounting perspective. The existence of Siak Sri Indrapura Sultanate starting from *Raja Keci* who used to occupy and ruled Johor, anchored to Riau, Lingga and some regions of the eastern coastal of Sumatra island before finally settled in Buntan, Siak Sri Indrapura. Raja Keci' acknowledged him as biological child of Sultan Johor and reserved the right for the throne, who then still became the Sultan of The Siak Sri Indrapura Sultanate (Hamka, 1994).

Informant plays the key success for obtaining and confirming the qualitative research data. Informants are those who are expected to provide information through a variety of questions prepared by researcher, including to confirm the obtained data through both document and survey. Informants in this research are purposely decided since not everyone who recognize and know the Siak Sri Indrapura Sultanate can be informants even though he/she is in the line of Siak Sri Indrapura Sultanate descendant. The number of informants in this study had increased from 2 to 6 persons though there was no provisions that can be used as a reference on how many people could be informants in qualitative research. However; interims of structure and position, these two people had been previously selected since o

One is the eldest son of former personal assistance of Sultan Syarif Kasim, one of high officials in the sultanate who is also one of the playwrights of Riau. The other informants are the former of the Sultanate coordinator and public figure whose knowledge and information on Sultan Syarif Kasim.

2.4. The Data Validity

The validity of the research findings are guaranteed by conducting a variety of activates related to the credibility, transferability, dependability, and conformability processes. Credibility is associated with whether the process and the study results are acceptable or credible. The credibility process is applied by following these below steps:

1. Given the insufficient of the obtained data, the extension of observation period to gain sources and necessary information should be conducted
2. Triangulation. For the examination of data validity which is focused on the data for analysis and as comparison for the data. The triangulation gained data, particularly related to the interviewing of the public figure previously conducted by the researcher which was engaged with research analysis and the diary of Muhammad Jamil when becoming the private secretary of Sultan Syarif Kasim.
3. Peer debriefing, This was conducted by discussing it with somebody else: exposing the temporary results or the final results which were obtained in the form of analytical discussion with the peers.
4. Administering the member checking by testing the probability of different assumptions and develop the examination for analysis checking, applying it to the data and having inquiries on the data.

3. LITERATURE REVIEW

3.1. The Historical Perspective Research

Articles or journals on the research findings which are concerned with the history of the past kingdoms had been conducted by some researchers, particularly in accounting sphere using historical perspective though it has not received scholarly attention. Some articles addressed issues in accounting in the past among others written by Gaffikin (2005), Funnel (2005), Irvine (2005), Moore and Cooper (2005). Other writers who had published their re-search report are Moore and Cooper (2005), Robson (1991), Sukoharsono and Gaffikin (2005). The most essential elements in the historical term are period and event (Hasbullah and Supriyadi, 2012). These two elements are always used in the history definitions derived from various countries. The periods and events that had occurred has been a part of the past. Nevertheless, in order to state whether the period and event of the past is the part of the past does depend on the moments.

3.2. The History Philosophy

Etymologically, philosophy has various definitions and differences according to the phi-loopholes who define it. However; of all the defined philosophy indicate the elements of the radically thinking process (fundamental, comprehensive, straightly down to the root), and sys-thematic (orderly, coherent, logical and accurate) to achieve the universal truth (general, integrated, unspecific and impartial) (Maksum, 2011). The essence of the notion of philosophy is to think thoughtfully, fundamentally, systematically in searching the truth. One of the key part of historical study is the reflection or the accounting knowledge that existed in a monarchy system in the past. The disclosure of reflection or accounting practice in the past can be analyzed by learning the archives to account for the past knowledge.

3.3. The Internal Control Structures

The study on the management control particularly the internal control structure, in general is discovered in the scope of profit-oriented organization. In the introduction part, It has been mentioned that most of literatures which address the issues on internal control structure put the emphasis on its application in the business organization. Nevertheless, the analysis and the application of this internal control structure not only focused on the commercial organization, but also on the social organization such as in either governmental or in a monarchy system. The employment of an internal control structure system does not discriminate the type of organization whether it is social or commercial. Briefly, the application of the internal control structure on a commercial or social organization is similar. Basically, both organizations have the same mission, organization structure, documents and the agreed procedures to implement on the ground (Duncan and Stock, 1998).

The study of accounting system had experienced a great deal of developments when associated with the variable forms, time and the scene. Such variables are the conflict in the historical thoughts, interpersonal conflicts, organizations and interests which are derived from various demands. It can be discovered in the article of Alam et al (1997), Smith and Taffler (1996). Komori and Humphry (2000). The presence of these variables have provided significant contribution for the advancement of science, including in the internal control structure system. The internal control structure system has developed owing to the numerous situations and each of the situation characterized the development format. The situations which had colored the development occurred in the government, monarchy and business organization. The point is that the definitions of the internal control structure system had changes from time to time like the change of definitions occurs in accounting definitions (Mulya, 2014).

In its development, accounting has encountered a large number of critics besides the praises and expectation. The purpose of accounting has also spark controversy and criticized by some experts such as Shapiro (McKernan, 2007). The internal control structure system of accounting in its analysis always depends on the empowerment of the internal control structure produced by a system. No matter the forms of a system, it usually owns the internal control structure where at the certain levels may be very weak, strong and very strong. The development of an internal control structure therefore always focuses on the process in searching the effective ways of implementing the tasks of the evaluation of internal control structure (Kopp & O'Donnell, 2005). The empowerment of an internal control structure of an organization can be caused by an accidental process. However, the elements to construct the system also have significant contribution in strengthening an internal control structure of a system.

COSO (2013) defines the internal control structure as a process which is influenced by the board of directors, managements, and other personnels designed in such a way to ensure the achievement of goals related to the operational, reports, and compliance. The definitions clearly only emphasize on the role of management as a group of company management, organization structure, authority and responsibility, practice and the policies of human resource. The variables are perceived as the key success of an internal control in maintaining the goal and company's assets. However; the question is are all of the elements key factors for the success of achieving the company's goal? The findings of this qualitative study said the contradictory. There are other main key variables that enable to strengthen the internal control structure of a business organization, government and monarchy system. These primary variables that inspire to redefine the meaning of the current internal control structure.

4. FINDINGS AND DISCUSSION

The findings of this study conclude that the integrity of a number one individual who are held accountable for any control system, become the key factor of strong or weak for an internal control. The integrity of number one people in a system is reflected from personality, perception or the point of view he/she has believed, and how the other people's view towards him/her in the system. This historical study concludes that how the simplest a system is, it still has a solid internal control structure, with a condition that the most responsible person for the system individually posses a strong integrity to the surrounding people rather than to the people in the internal circle of the organization or the other developer system elements.

The other environment which is composed of the director council, management and the other supported personnels who get involved in a system, will automatically will be obey and loyal or follow depend on the number one figure who has been a role model for them. Such conclusion can be evident in any organization structure, either commercial or non-commercial. The findings of this study are concluded from the role of Sultan Syarif Kasim who had been number one figure in his monarchy system so that the other environment followed and respected the Sultan as their role model. The role of Sultan has been the basic conclusion as on the ground, even though Sultan Syarif Kasim acted as a king, he was not a king who could act arbitrarily with the sovereign and privileges conferred on him who is totally different with the stigma attached to most of the kings as authoritative figures. The accounts for this conclusion can be systematically explain as follows:

4.1. Sultan's Personality Traits and Support of the People

Sultan Syarif Kasim as the last sultan of The Siak Sri Indrapura Sultanate possessed tightly reciprocal relationship with his people. The acknowledging and appointment of the sultan of the Siak Sri Indrapura Sultanate is inseparable from the contribution and advice from *Datuk* and the tribal chiefs who represented their people in the form of highly mandate to the ruling Sultan. Contribution from the people as well as high integrity personality of the sultan which had been observed by the people has been invaluable asset for sultan as a king in the Siak Sri Indrapura Sultanate. Sultan Syarif Kasim II is a figure who had been wellknown as a wise and warmhearted person and liked to greet and ask the parents of the persons, particularly the children that he met. The interview with informant, Mr. Nizami, described how friendly the sultan greeted the children he met with the following phrases: "*oibudak! Dikauanak.siap?*" "Hi kids, who are your parents?" (in local Malay dialect). Sultan Syarif Kasim did love kids and pay too much attention to them.

The environment condition and the sultanate which had been under pressure by the interference of the ruling Dutch colony at that time had found it difficult to him to use the power or strength as a sultan in running the sultanate. The most dominant factor owned by the sultan in governing is his personnel characters. He is someone who against colonization, occupying and the other tyrannies. Another prominent personality possessed by Sultan Syarif Kasim is that he is a very religious person which was expected by his parents who named him Kasim that meant the great sword of religion. The religious personality owned by the Sultan had been reflected in his ways of governing the sultanate. Even though Siak Sri Indrapura Sultanate was not a Moslem kingdom, the principles of Islam had been applied as long as he could tried and practiced them (Jamil, 2010). His religious character was fully supported by his society's view that a sultan as a leader also serves as *Kalifatullah* or the aid of ALLAH SWT or the shadow of ALLAH SWT on the earth (Lutfi, 1983).

4.2. Sultan's Perception towards Property

It is proved by Sultan that not too interested to manage the property as private asset. Interviews with Tenas Effendi confirm in below statement

Sultan's perception towards property was totally different with most of people believed at that time. As a personality who did love knowledge and religious figure had influenced his view towards property. He thought that wealth and property are only mandate from the God almighty. He therefore is not a sultan whose hobbies to collect properties in his great time. He proved his consistency for not being interested in managing the property as his own possession. The interview with Tenas Effendi had confirmed this matter:

"He got very different point of view towards property with most of people. He believed with a statement: "I don't want to touch the property because they are stains". So, he never wanted to control the property."

This statement is his perception towards the existence of the Sultanate's property which had been abundant at at time and had influenced his belief in the property management. The property which is the mandate from Allah SWT is merely used according to its function for the sake of the people rather than for his family of himself. His view towards property played significant role in his pure intention for giving all of his wealth, property people and the sultanate for the independence of Republic of Indonesia. This sultan's perception has automatically had formed a strong mental which is necessary in a accounting system of the kingdom property. Mentality has demanded for someone to vision the role of accounting in combating corruption (Everett, 2007).

4.3. Sultan Syarif Kasim in the eyes of his People

As the soil heir of the Siak Sri Indrapura Sultanate, Sultan had firmly demonstrated a an assertive manner that the sultanate had been under pressure by the Dutch colony government. He would never agree and was in favor with any form of tyranny and oppression done by the Dutch colony against both his sultanate and local environment . As a proof for his rebellion towards the situation at the time and in the future, he was so keen to more focused on pursuing his education to higher level than receiving the baton to the throne. Such stance is also part of his adherence to the religion when he was crowned to be sultan. He also seeks to practice the principles of Islam as best as he can. Decisive, educated, He was not a greedy person to amass the wealth had made him to a sultan who was very dignified figure before his people. The values and principles he had believed helped him create an awareness of managing the property based on the Islam norms.

Under the reign of Sultan Syarif Kasim II, the commitment to develop Siak region had been actualized effectively. Such commitment had been acknowledged by a writer by saying" Only in this region I have observed the successful local merchants whose business sector in rubber plantation and copra." In 1924, there were 109 of the local merchants in Siak who could earn f 760 per year (Reid, 2012), and one of the successful merchants had been mentioned in the article written by Thohiran (2012). When seeing one of the parameters of achievements of a leader is a sense of responsibility, Sultan Syarif Kasim had already fulfilled the criteria perfectly. The embodiment of love of people to their king, is strongly determined by how the king can approve his love to the people. Sultan Syarif Kasim II is a figure who had been loved by his people due to his noble personality.

This event is verified by an informant of M Toha in following interview. An existence of a kingdom does depend on the people or fully support of the people. Sultan Syarif Kasim II had tried his best to make his regions to be one of the centre of crowd so that its existence had been acknowledged by the Dutch colony government. Conversely, people easily to come and leave an area of a kingdom. A sultan therefore, in some occasions used of his power for not allowing people to move from his territory. Such oppressive attitude had occurred in the beginning of Sultan Syarif Hasyim (the 11th sultan) ruled the sultanate. According to the notes made by Tengku Bagus, when there was a upheaval usurpation in the sultanate, Tengku Ngah, a nick name for Sultan Syarif Hasyim purposely prevented and arrested people and pressed them for not leaving the Siak sultanate by hiring the guards in the border (Depdikbud, 1989). This tragedy was justified by Mr. M. Toha, one of the informants in this study. Here are some excerpts of his statements:

“Based on the information I have obtained from my grandpa Tengku Bagus that “upheaval usurpation under the reign of Sultan Syarif Hasyim had occurred inappropriately. At that time, there was a strong upheaval and rejection of the family and people in Siak, so that a large number of people left the sultanate.”

From this event, this can be a reliable evidence that as long as the responsibility of a king to his people had been fulfilled, the people will gladly to remain and to be a part of the kingdom sovereignty and vice versa. During Sultan Syarif Kasim II held the power, the regions had been one of the central business and crowd of people came from various tribes. This is because of a sense of responsibility he had shown.

4.4. The Reflection of Responsibility of Sultan Syarif Kasim to His People

The responsibility had been demonstrated by sultan apparently not only to his own people in Siak sultanate. More than that, he also approved his responsibility to the Indonesian people by handing over all of the property, crown and territory of the Siak Sri Indrapura Sultanate to the government of Indonesia (Brinkgreve and Retno, 2009). This is a tremendous sacrifice shown by a sultanate which had achieved its golden times at that time. He was very different from his father who was a businessman with profit-oriented character. The difference personality between sultan and his father had been exposed by one of informants, Tenas Effendy who confirms this in these following excerpts:

“He didn’t have any kids. His life was only dedicated to give and help everyone including adopted one of children of his relatives. Such give and help character had made him to be loved by his people. However, Such noble character he not only showed to his people, but also the Indonesian people by giving everything that he has.”

Sultan’s responsibility to the people of Indonesia had been approved by his contribution to the independence of the Republic of Indonesia. He willingly handed over all of the royal property of the sultanate including the people for the independence of Indonesia was need of funds. The sultan’s firm statement had been awaited by people in Siak at who had been their role model. Sultan’s willingness when deciding to be part of Indonesia was exposed from the hand writing of Muhammad Jamil who had been private assistance with the following excerpts:

“Sultan Syarif Kasim had already read what was in his people mind and waited for the people’s movement to support the independence of the Republic of Indonesia”. Soon after that he delivered an official speech: handing over the sultanate of Siak, people and the royal property to the struggle for Indonesian Independence. This is a statement that had been awaited by the people as they got used to obey the commands of sultan.”

4.5. Sultan's Principles towards the Property use

When Sultan Syarif Kasim received the estafette of the sultanate from his father Sultan Syarif Hasyim, he had been mandated the royal property what would be used to rule and develop the sultanate particularly for enlightening his people. The royal assets which had been part of the funding of operational of the sultanate would be part of the responsibility of Sultan Syarif Kasim Sani as the successor. The prominent responsibility of sultan in managing the royal fund was in the form of establishing various education institutions to enlighten his people without charge at that time.

Sultan Syarif Kasim is the pioneer of Islam education which had been started since 1917 (Depdikbud, 1984). He did realize that the education provided by the Dutch colony was not intended for his people, rather for the Dutch colony's interest. Dutch colony government only limited the education opportunity for the subordinate staff at the office such as clerk from the royal or noble family. His attention to education was extremely immense for he did understand that with education his people can gain success and prosperity in the family and community and religious life so that in the end will bring the welfare for the people themselves. It is acknowledged indeed that any changes can be made through education. During the reign of Sultan Syarif Kasim II, education in Siak had been emphasized on two aspects: religious and general education (Aziz, 1991).

Lower class people would never be in contact with the Dutch education institutions which had the larger number than education institutions for the common people in Siak region at that time. This unfairness had been concern of sultan that his role as a wise sultan had been observed and awaited by his people. His presence to challenge the unjust treatment had been felt of his people. The attitude and role demonstrated by sultan for his people had been an evidence that he was a true hero in education for the sake of his people development that had been under oppression of the Dutch colony. This attitude off course would never be forgotten by his people particularly for public figures who had been still alive at this time.

There are many religious-based schools established by Sultan in Siak with free of charges. Following are the tables the number of schools classified for male and female. General and religious schools, formal and non-formal schools that had been managed by Sultan Syarif Kasim as the ruling sultan. These school tables were collected from various sources such as Effendy and Effendi (1972) and direct interview with him as one of informants, Aziz (1991) who interviewed H.M. Yatim and Misbah Thaib in his research findings. The table was also completed with numerous of Sultan views which had been the back-grounds and motives of sultan to develop religious education in Siak Sri Indrapura Sultanate.

Sultan's progressive view towards various education proved that he is a kind of leader who did love knowledge so that as a sultan, he also served as a teacher for his people. This was the reason stated by a foreign writer to claim that Sultan Syarif Kasim (1915-1946) will be remembered by his people as someone who had reformed both administration system and education (Redi, 2012). Religious education developed in Siak Sri Indrapura Sultanate referred to Syafi'iyah School (Aziz, 1991).

Schools which had been established during the reign of Sultan Syarif Kasim was a part of the funding use from which the benefits had been clearly visible as an effort for the welfare of the people under the rule of Siak Sri Indrapura Sultanate. It was a part of the accounting asset practice which had been implemented by Sultan in his administration. The royal as-set use which had been generally allocated for education and at the same time was a part of accountability report of Sultan to the people of Siak Sri

Table 1.1
Schools at the Territory of The Siak Sri Indrapura Sultanate 1907 – 1945 Sultan Syarif Kasim II
Ruling Period

<i>Religious Education</i>	<i>Sultan's views</i>	<i>General</i>
<p>1. Informal (Family life)</p> <p>At home:</p> <ul style="list-style-type: none"> - Learning Quran - Learning <i>Sholat</i> (prayer) - Moral, etc. - Parents' responsibility <p>2. Non-formal</p> <p>Community life :</p> <p>a. At home.</p> <ul style="list-style-type: none"> - Ritual gathering: Qur'an recitation learning, alqur'an interpretation, <i>Taubid</i> (religious practices) <i>fiqih</i>, (Laws in Islam) and so forth. - 15 learners - Free, but learners should help teachers/<i>ustad</i> either in planting or farming. - The competence of <i>Ustad</i>/teacher has been acknowledged by community - Competent learners are appointed as teacher assistants - Parents fully trust their children to be led by teachers as long as he/she can get good achievement and competence <p>b. At <i>Surau</i> (mini mosque)</p> <ul style="list-style-type: none"> - Learning Qur'an from <i>Jus Amma</i> - Learning <i>marbaban</i> and <i>barjanji</i> (Praising Allah and the holly Prophet rhythmically during holidays of Islam such as mauled, <i>isra mi'raj</i>, circumcision (<i>sumat rasul</i>) alqur'an seal (<i>khatam Qur'an</i>), wedding (<i>akad nikah</i>). This occasions until now are still maintained. - 10 students 	<p>"Education starts from home. Parents are responsible for implementing it in their the household." Sultan referred to the one of hadiths from the holly prophet SAW: Every babe is born but upon fitrah. It is his/her parents to make him/her a Jewish, Christian or polytheist" (Hadith, Tabrani)</p> <p>"Sultan was very aware of the important role of <i>Surau</i> and Mosque, he therefore built Mosque and <i>Surau</i> where all of the funding were sponsored by the kingdom as a reflection of responsibility from the sultanate."</p> <p>He always invited Buya Hamka to be speaker"</p> <p>"He did understand that Islam requires its followers, male and female to seek knowledge as the prophet said in hadith: seeking knowledge is an obligatory for every Muslim (sayedahmadhasym)"</p> <p>Sultan acknowledge if women have good behavior and well educated, a country will be good. On the contrary, if women have bad behavior and low educated the country will be in trouble</p>	<p>Volk School/Elementary School/ Malay Schools</p> <ul style="list-style-type: none"> -From 3 years length of study to 5 years -Conducted at some big towns such as Siak, Bengkalis, Selat Panjang, and Bagan Siapi-api. -Media for communication: Arabic/ Malay -Subjects: writing, reading, and arithmetic's. -all students could enroll <p><i>Vervolk</i> school/continued schools</p> <ul style="list-style-type: none"> - 6 yrs length of study -exclusively for the children of the Dutch colony's employees and royal families <p>HIS (Holland Inlanse School)</p> <ul style="list-style-type: none"> -intended for children of noble and royal families, however, it was then openly for any children as long as their parents could afford to pay the tuition fee. -founded in 1915 - MULO (<i>Meer Uitgebreid Lager Ondernijis</i>) The upper level after HIS in Padang, Medan, Jakarta.

c. in Masjid

- Learning Quran, *dakwah* (religious proselytizing), moral education.
- Place for doing discussion and deciding all of principles and all problems in life
- The media of communication are Arabic and Malay.
- Mazhab: Syafi'iah.

3. Formal

Exclusively for males

1. Madrasah Taufiqiah El Hasyimiah

- Established by Sultan in 1907 by sultan.
- Length of study: 7 years:
 - 5 years for *Ibtidaiyah* (elementary) level
 - 2 years for *Tsanawiyah* (Junior School)
- pants, shirts, were provided by Sultan
- Tuition fee is free.
- Excellent students were sent to Padang
- Media of communication: Malay & Arabic
- Venue: Siak. Exactly located beside the palace (at present, *madrasah tsanawiyah*)
- Finally closed by Japanese colony.

Exclusively for females

2. *Madrasah Nisak*

- The first girl school
- 7 years length of study:
 - 5 years for *Ibtidaiyah*
 - 2 years for *Tsanawiyah*
- Finally closed by Japanese colony.
- Venue: Siak

3. *Sekolah Sultanah Latifah* (Latifah School)

- Afternoon school
- Founded in 1926
- 3 years length of study
- Initiated by the Empress of the sultanate
- Venue: Siak .

Mixed schools

4. Religious school of

Jamiyatul Ikhsan

- Founded in 1915 and in 1924 had been changed in to Mandah College

- Venue: Pekanbaru

5. Religious school

Tarbiyah Islamiah

Changed to be HIS

(Holland Inlanse School)

Equal to SD at present.

- HIS graduates may continue to

MULO (Meer Uitgebreid Lager

Onderwijs) in the same school

- Venue: Selat Panjang.

Source: Mulya, 2014

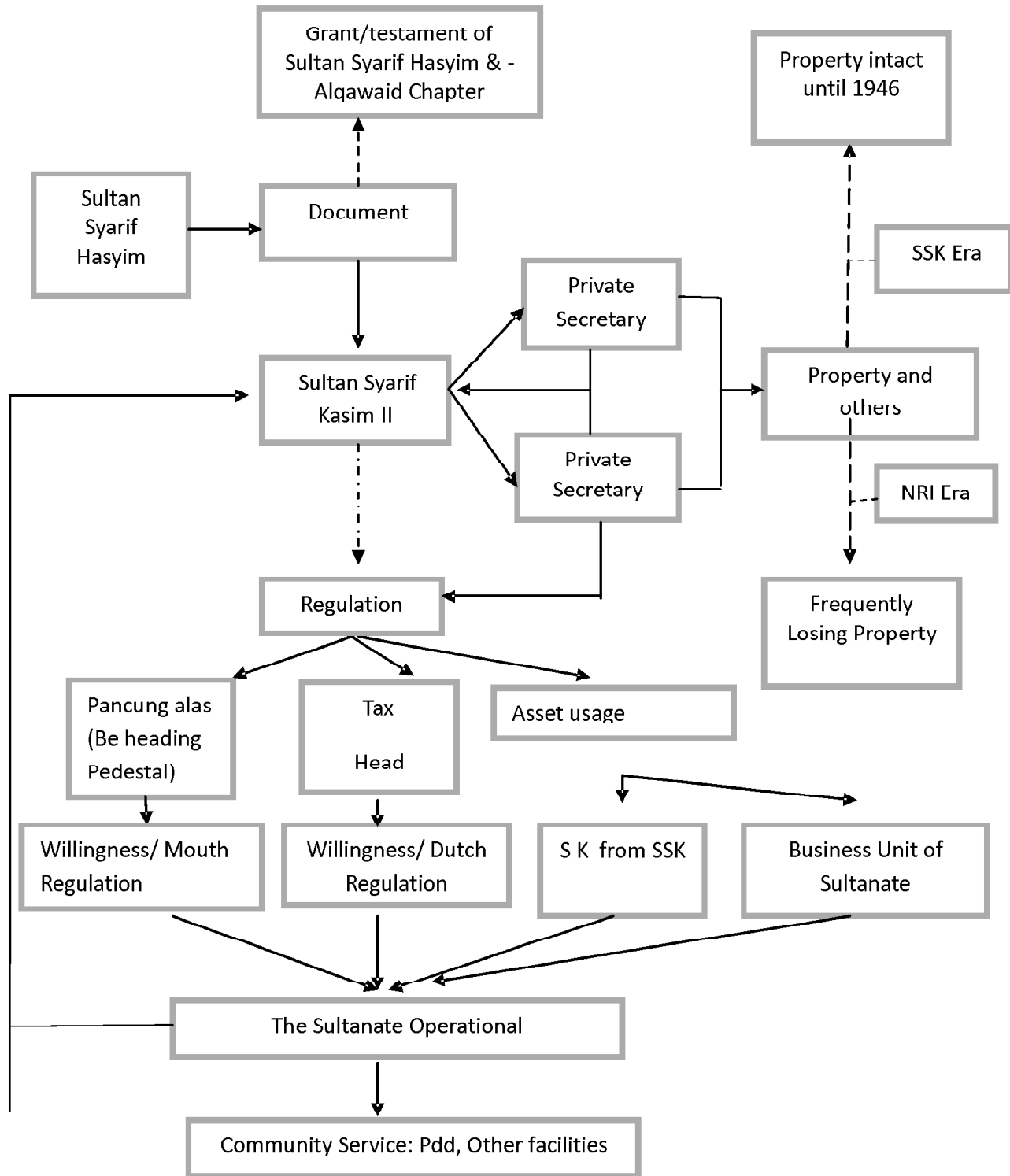
Indrapura. Sultan Syarif Kasim employed the asset use solely in the form of planning and implementation, without the written accountability report since the implementation is an accountability report which directly had been observed by the people. Sultan Syarif Kasim had unpurposely avoided the written accountability report as Simulacrum report where the practice reality is far from the report which is called hyperreality (Macintosh et al. 2000). As a sultan, he actually had full authority to do everything including providing simulacrum report. The integrity role of a number one people which had influenced the internal control structure of a system, will be visible when being observed from the monarchy operational system that will be explained as follow:

4.6. The Sultanate Operational System

Sultan Syarif Kasim, in governing his administration had already possessed the government organization system. However, such administration system had been subject to change because of the interference of the Dutch colony government which always seek opportunity to disorganize such administration system. There were many of units and personnels fired by the Dutch colony government because cannot get license the personnel substitution by the Dutch colony so that the position were left empty. Its purpose was that the sultanate organization would not run smoothly. In practice, Sultan therefore did not really care with the condition. Operationally, The operational system run by Sultan can be shown in picture 1.2

Letter endowments in practice were still used as a reference in the entire sultanate operational system. Picture 1.2 explains how the the sultanate operational system which had been practiced during the era of Sultan Syarif Kasim. This picture is a construction result which had been explored from informants whose competence in providing information on the Siak Sultanate in the era of Sultan Syarif Kasim II. Even though most of the old men who directly experienced and understood the situation in the reign of Sultan Kasim had passed away, the first generation of some public figures of Siak are still alive, and can communicate effectively. From the sons of some public figures who had been concerned and possess document, the construction of the operational system structure applied at that time can be described. Some essential document as a result of the exploration possessed by some generation figures had also been obtained.

Picture 1.2: The Sultanate Operational System during Sultan Syarif Kasim II Era



Sources: Derived from any sources

Short Notes: Bld = Belanda (Dutch), SK = Surat Keterangan (Reference), SSK = Sultan Syarif Kasim, NRI = Negara Republik Indonesia, (The Nation of Republic of Indonesia)

This operational system construction is a part of accounting episteme which had been combined from the two eras: Sultan Syarif Hasyim and Sultan Syarif Kasim era. The Sultan Syarif Hasyim era accounts for two essential points: the testament and Alqawa'id chapter which were the products when he ruled as the eleventh Sultan Siak. Whereas the Sultan Syarif Kasim era which had been the central focus of this study accounts for the created control, the issued regulation, the asset accountability of Sultan. The statement of Chua (1986) said that the accounting knowledge practiced by society, for society and about society and for the sake of social and physical environment is an undeniable statement. The truth of this opinion had also been justified by statement saying that accounting is a reflection of cultural and social values prevailing in a certain society (Grojer and Stark, 1977). Philosophers Foucault said that in every period (epoch) of history has "thought system which decide how the knowledge can be put in to practice at that time" have yet been specified by the resistance towards the thought.

The operational system construction in picture 1.2 is always begun by manuscripts in the form of testament or endowment and *alqawa'id* chapter made by Sultan Syarif-Hasyim during when he ruled as the XI sultan. These two manuscripts were very monumental document for Sultan Syarif Hasyim for the next ruling sultan to implement it. Based on the mandate, the endowment and alqawa'id chapter had been used by Sultan Syarif Kasim Sani as a guidance and regulation that should be implemented in the Siak Sri Indrapura Sultanate System. These two documents also served as regulation which administers various policies related to the asset accounting. Sultan Syarif Kasim, during his era, had been consistent to implement the contents of this document, and treated them as laws and the accounting asset treatment standard. His commitment to practice the contents of endowments and Alqawa'id chapter is a reflection of his honesty and firmly adhered to the mandates.

The consistency of Sultan Syarif Kasim II in implementing the laws and endowments/grants had been his own commitment. In ruling his administration, he was aided by private assistance which he had trusted to manage both the assets and finance. Nevertheless, the accountability for implementation and policies were still directly issued by Sultan Kasim. The secretary only served as the operator, including in providing inputs to sultan in assets and financial matters of the sultanate. The private secretary therefore did commands and was directly held accountable to sultan. The secretary who professionally had dedicated himself in assisting sultan would be awarded an honorary degree conferred by Sultan as received by Muhammad Jamil. The private secretary did his duties seriously and with very high loyalty. This is understandable since for being the secretary of sultan was not an easy thing, moreover, sultan appointed him who was from the lower class family, not his relative. Beside an honor, it was also a pride for the common people who could accompany sultan which was then the big dream of everyone particularly people who were from the outer circle of the palace.

4.7. Highly integrated figure of Sultan as a Role Model

The consistency of Sultan Syarif Kasim towards the moral principle he had believed with all the policies and measures he had taken is a reflection of integrity that had made him to be a role model. He did understand with all decisions and actions he had done and why he did them. This is of the called moral integrity as stated by Kohlberg (1995). In the context of business organization and any other organizations, leadership and integrity of someone are related to each other (Morrison). When a leader enables to prove his integrity, it is the time a leader can be a role model by all of elements under his responsibility. Anything that against the moral principles conducted by a leader, will not be done by his followers.

People in Siak and high officials at the palace who had made Sultan Syarif Kasim as their good example, voluntarily acted like what sultan had behaved. The exploration throughout this study, there had never discovered any data and information that indicate the deviation of his people, high officials and royal family towards obligatory to the sultanate, though openly it was very possible. This has been the basic conclusion of this study. The definition of internal control therefore need to be redefined which put the emphasis on the integrity of of number one people in a system. Other human elements that involve in a system will automatically follow the number one person due to the integrity he possesses. The definition of internal control should have been defined as follows: "Internal control is a controlling process influenced by the integrities of the people on the top who lead the member of director board, management member, and other personnel members which had been designed in such a way to guarantee the achievement of goal which is related to operational, report and obedience".

5. CONCLUSION

The leadership character attached to someone will decide the quality of an applied system in a business organization, government and a monarchy system. Someone's leadership character attracts the attention of all elements of society in an organization which turn to be an example. When attention has changed to be an example, the central of all control will rely on a leader. This is the key factor and it is needed in empowering a system. The definition of internal control structure according to COSO which had made the board directors, management and other personnels as a central of control power is operationally inappropriate. The most decisive factor is number one person who is the most responsible for the implementation of the system.

Entertain internal control should be defined as follow: "Internal controls is a control process affected by top leader integrity to bring the director board, management and other personnel members, designed to guarantee the goal achievement related to operational, reporting, and compliance" The top leader is number one people in an organization. For organization with collective leadership, the people selected as collective leader becomes the decision of internal control structure. The definition of internal control should have been defined as follows: "internal control is a controlling process influenced by integrity on the top management who oversee the board directors, management members and other personnel members which had been designed in such a way to guarantee the achievement of goal related to the operational, report and obedience". The top management means here is number one person in an organization. When an organization should be collectively led, the appointed person as the collective administrator should be a decision maker to decide strong or not the internal control structure.

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